

2020

# NAR Flash Survey:

# Economic Pulse

May 10-11, 2020

National Association of REALTORS® Research Group



NATIONAL  
ASSOCIATION OF  
REALTORS®

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# Methodology

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## Sample



The survey was delivered to a random sample of 87,153 members. The survey had 3,121 useable responses. The response rate was 3.58 percent.

For 94 percent of respondents, the majority of their business is residential. Four percent conduct mostly commercial business.

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## Dates



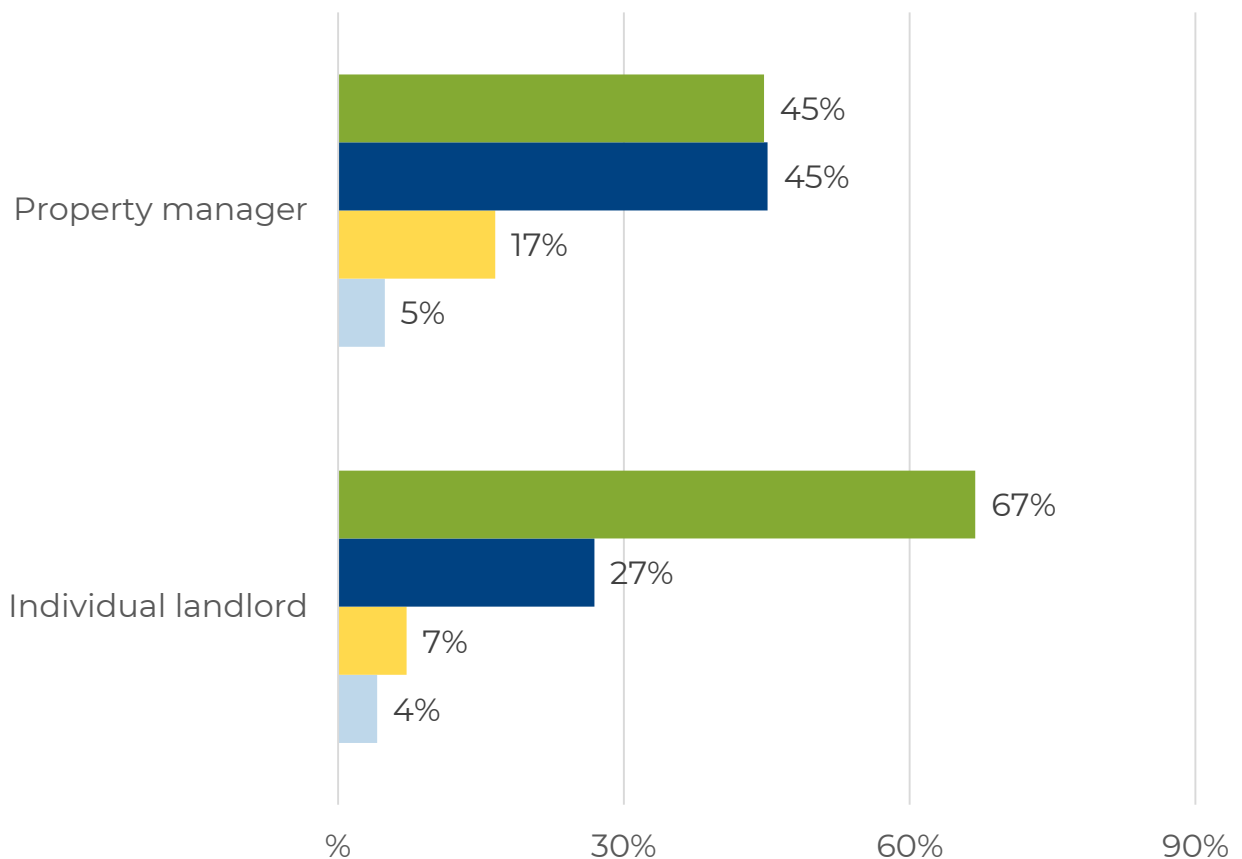
The survey was deployed on Sunday, May 10th, and was closed on Monday May 11th.

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# Tenants Paying Rent

Of those who work with residential tenants, 45 percent of property managers cited having no issues with their tenants paying the rent, compared to 67 percent of individual landlords. Forty-five percent of property managers reported being able to accommodate their tenants who cannot pay rent and 17 percent cited it being difficult. Among individual landlords, 27 percent of individual landlords reported being able to accommodate their tenants who cannot pay rent and seven percent cited it being difficult. Small portions (less than 10 percent) of property managers and individual landlords reported tenants terminating their leases.

## IN REGARDS TO CORONAVIRUS (COVID-19), HAVE YOU SEEN ANY TENANTS WHO ARE UNABLE TO PAY THEIR RENT?:

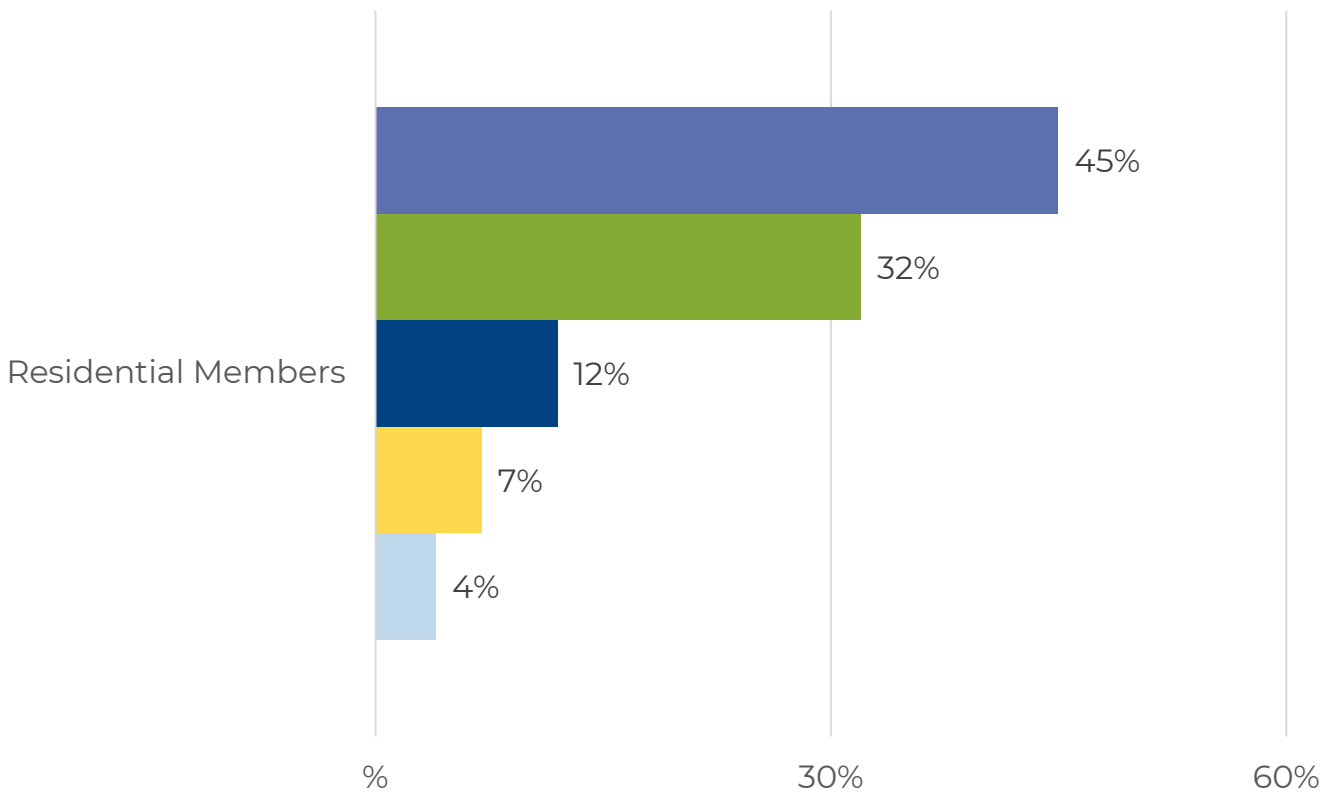


- No issues, rents are being paid on time
- Yes, asking to delay paying their rent, and will be accommodating knowing the circumstances
- Yes, asking to delay paying their rent, and will be difficult to allow
- Yes, leases are being terminated

# Social Distancing and Transactions

Thirty-two percent of members were able to complete nearly all aspects of transactions while respecting social distance. With minor modifications such as using masks and gloves, 45 percent felt person-to-person interactions were still required. Seven percent postponed home searching and 12 percent stated that the mandate of stay-at-home prevents them from completing transactions.

## HOW WOULD YOU ASSESS SOCIAL DISTANCING GUIDANCE AND REAL ESTATE TRANSACTION, ESPECIALLY WITH MORE USE OF VIRTUAL TOURS, ELECTRONIC SIGNATURES, AND EXTERIOR-ONLY HOME APPRAISALS?

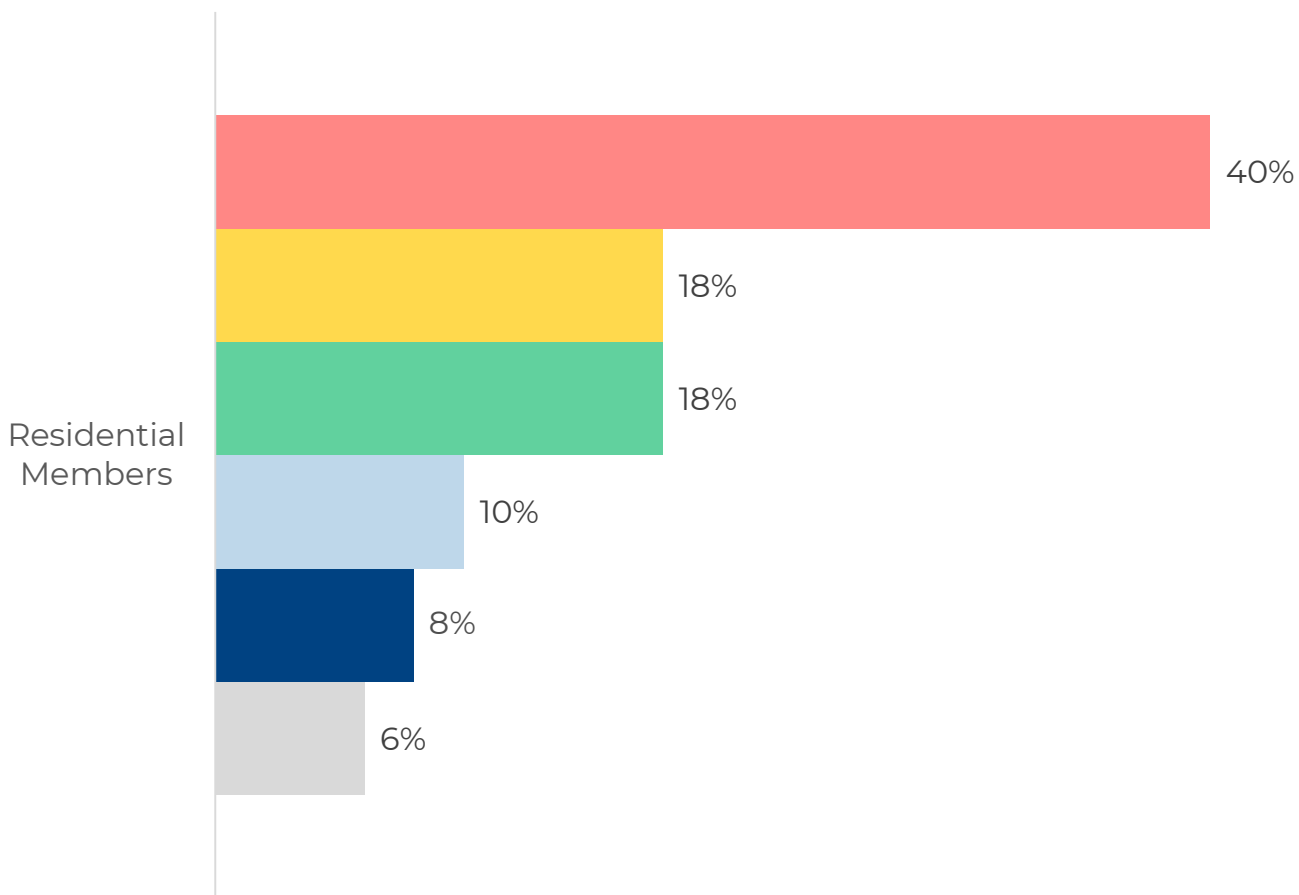


- Some aspects still require person-to-person interactions, though masks and gloves could lessen the risk of spreading the virus
- Nearly all aspect of the transaction can be done while respecting social distancing
- Government mandate of stay-at-home, including not permitting private showings is leading to near impossibility of getting deals done
- Home searching has to be postponed because of the need for close person-to-person interactions and with strangers
- Other

# Buyer Behavior

Forty percent of members reported buyers are delaying their home purchase for a couple of months. Eighteen percent stopped looking due to concern about losing their job. Ten percent reported members are continuing the process, but only relying on virtual communication. Six percent reported clients are deciding not to buy or sell indefinitely. Eighteen percent reported there is no change in client behavior, and they continue to meet in person.

## IN GENERAL, HOW HAS THE CORONAVIRUS (COVID-19) CHANGED CLIENTS' ATTITUDES WITH REGARDS TO BUYING A HOME?



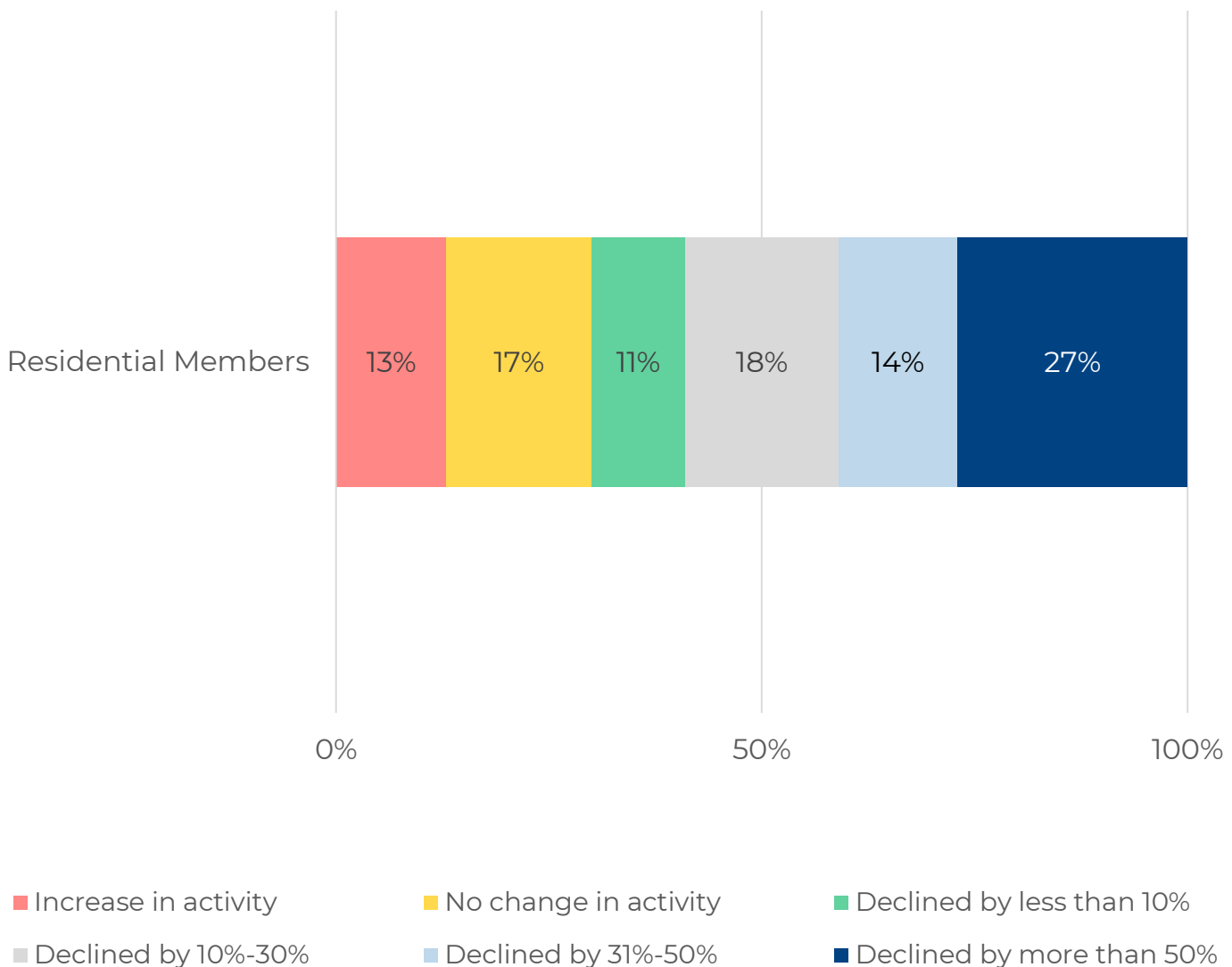
- Delaying the process a couple of months
- Stopped looking due to concern about job or loss of job
- No change, continuing to meet with clients and show properties in person
- Continuing the process, but relying only on virtual communication ( i.e. virtual tours)
- Other
- Deciding not to buy indefinitely

# Buyer Interest

Seventy percent of members cited a decline in buyer interest. Twenty-seven percent reported a decline by more than 50 percent. Seventeen percent of members cited no change in activity and 13 percent cited an increase in activity.

Twenty-five percent of members who worked with a buyer who put a contract on a home this week reported at least one buyer only saw that home virtually.

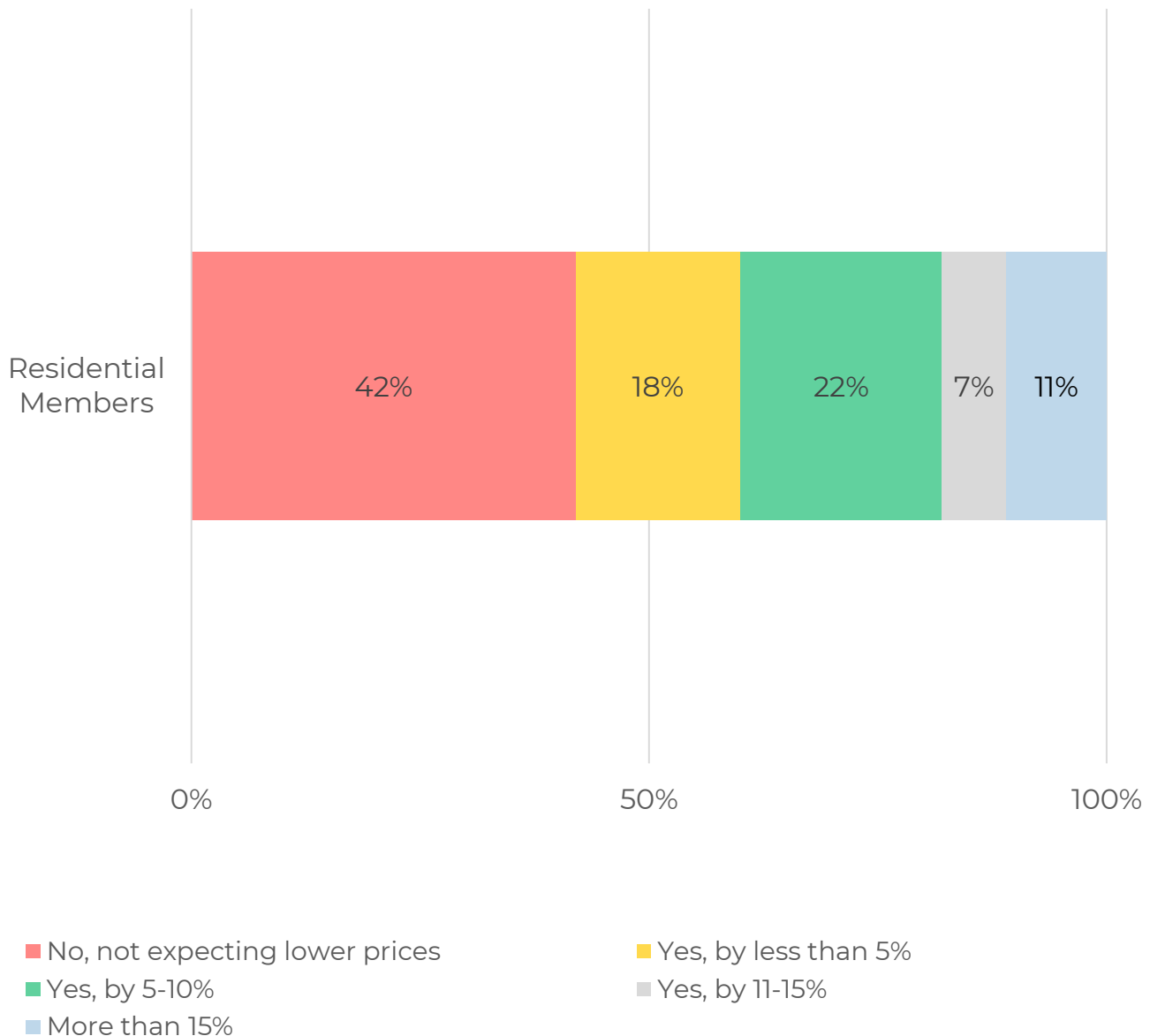
## IN REFERENCE TO EARLY WEEKS OF ECONOMIC LOCKDOWN, ABOUT ONE MONTH AGO, HOW HAS CORONAVIRUS (COVID-19) AFFECTED HOME BUYER INTEREST IN YOUR MARKET IN THE PAST WEEK?



# Buyer Expectations of Home Prices

Fifty-eight percent of members said buyers are expecting a decline in home prices. Eighteen percent expect a less than five percent decrease, with 22 percent expecting a decrease by five to 10 percent.

## IN GENERAL, ARE HOME BUYERS EXPECTING LOWER PRICES NOW?

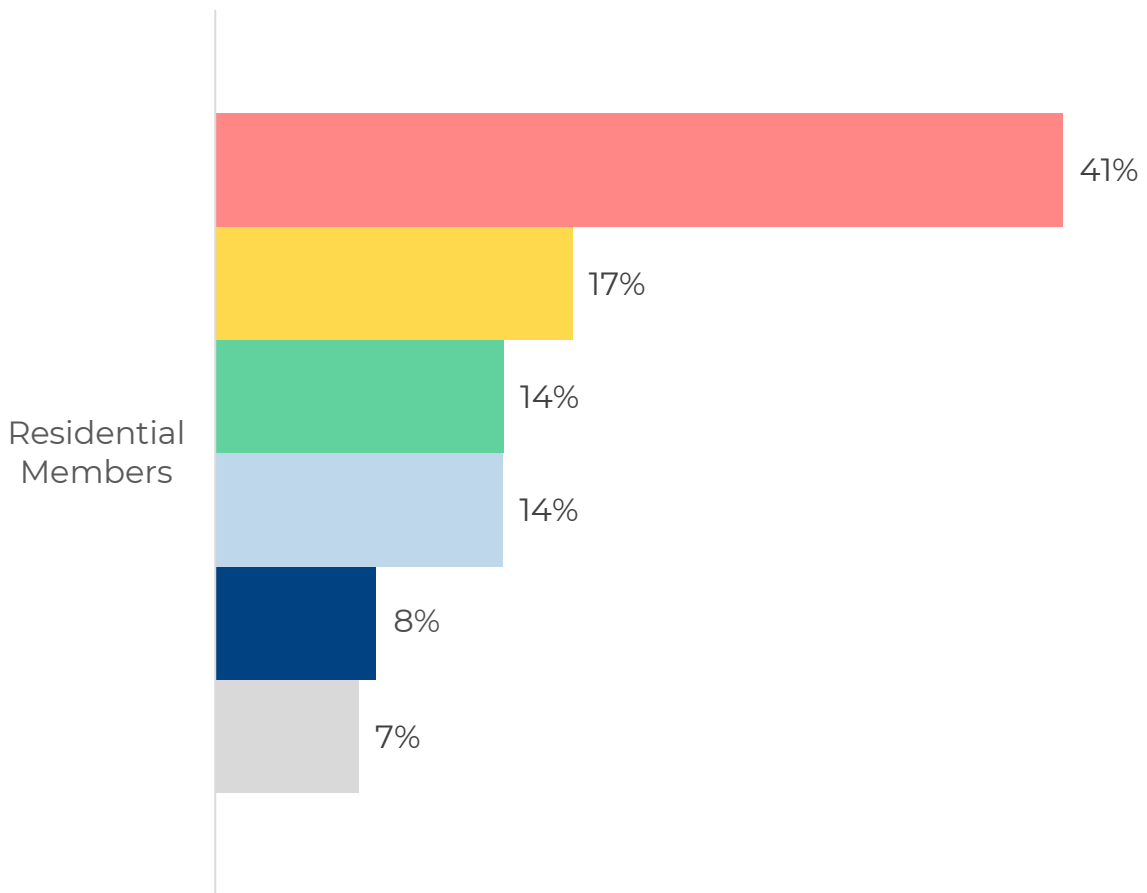




# Seller Behavior

Similar to buyers' behaviors, 41 percent of members reported sellers are delaying their home sale for a couple of months. Fourteen percent reported members are continuing the process, but only relying on virtual communication. seven percent reported clients are deciding not to buy or sell indefinitely. Seventeen percent reported there is no change in client behavior, and they continue to meet in person.

## IN GENERAL, HOW HAS THE CORONAVIRUS (COVID-19) CHANGED CLIENTS' ATTITUDES WITH REGARDS TO SELLING A HOME?

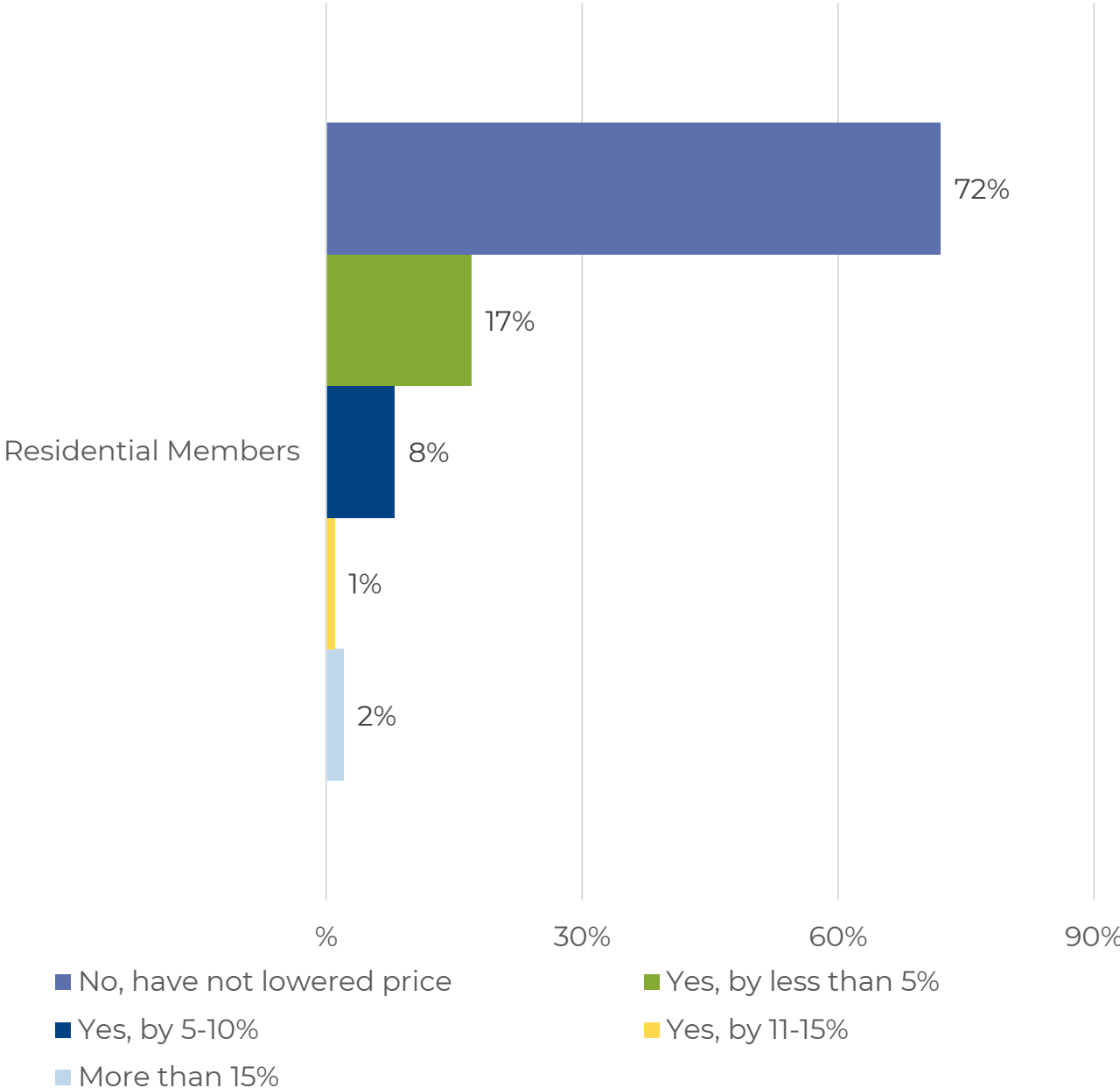


- Delaying the process a couple of months
- No change, continuing to meet with clients and show properties in person
- No listings at this time
- Continuing the process, but relying only on virtual communication (i.e. virtual tours)
- Other
- Deciding not to buy/sell indefinitely

# Sellers Reduced Listing Price

Sixty-six percent of members reported working with home sellers. Of those who are currently working with sellers, 72 percent said that no sellers have reduced the price to attract buyers. Seventeen percent reported sale prices reduced by less than five percent. Only two percent reported reductions of more than 15 percent.

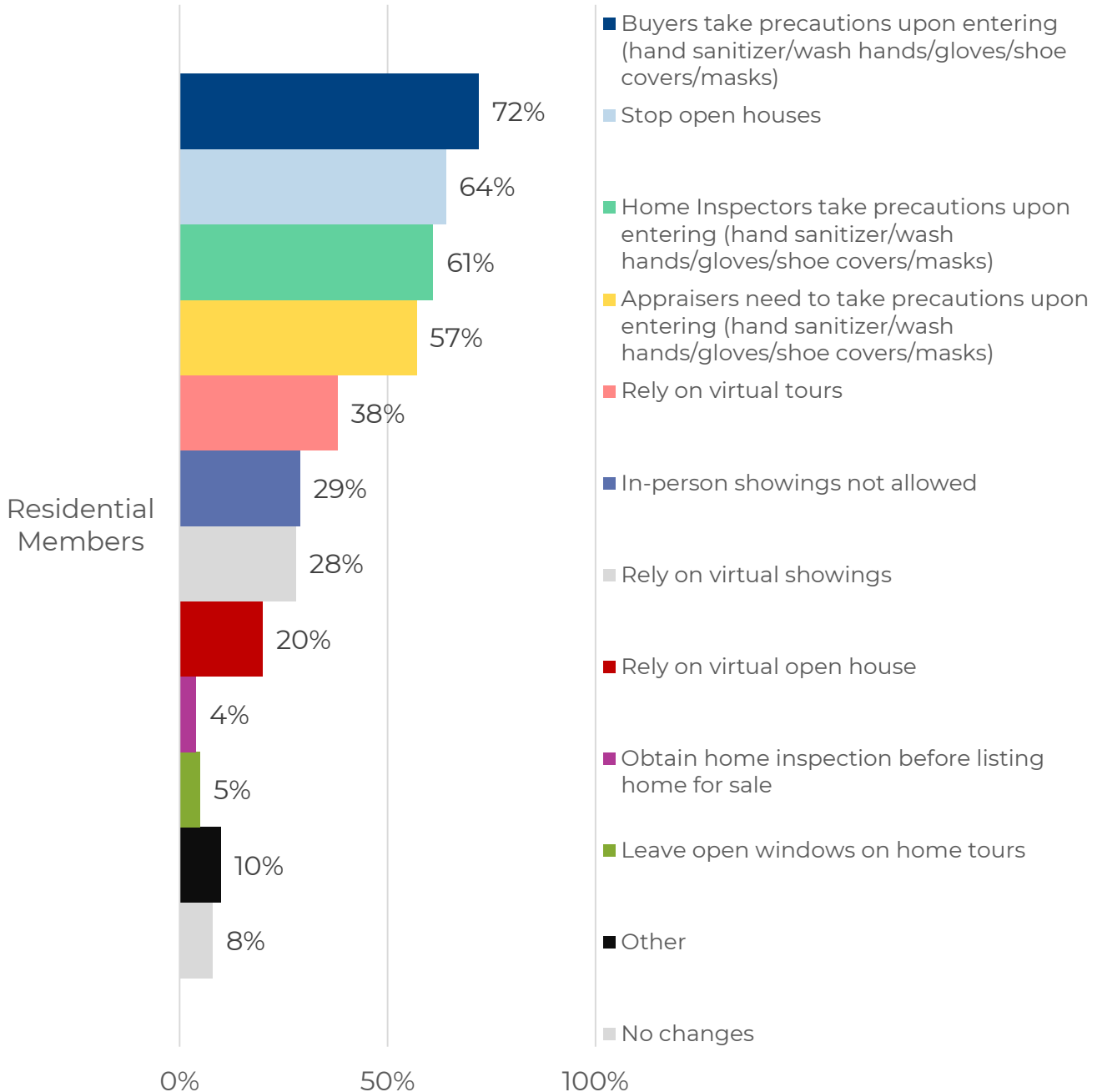
## IN GENERAL, HAVE ANY OF YOUR HOME SELLERS RECENTLY REDUCED PRICE TO ATTRACT BUYERS?



# Seller Behavior

Of those who are working with home sellers with active listings, the majority reported changing how their clients' homes are viewed while the home remains on the market. Ninety-two percent reported that home sellers have made changes, including stopping open houses or requiring all those who enter the home to take appropriate precautions before entering home.

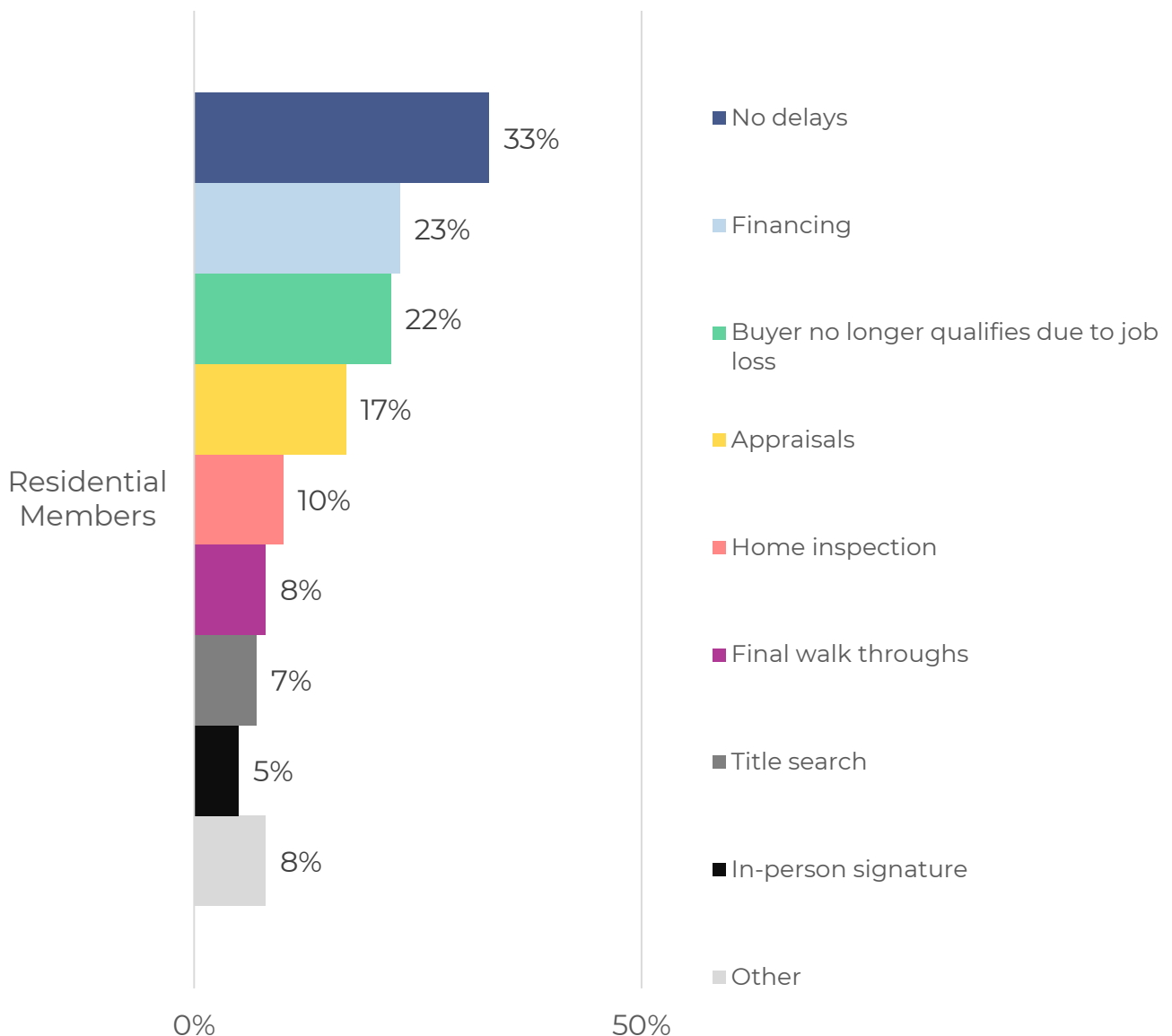
## IN REGARDS TO CORONAVIRUS (COVID-19), HAVE YOU SEEN ANY OF THE FOLLOWING CHANGES IN HOME SELLER LISTING BEHAVIOR?



# Residential Closing Delays

Of those who are closing residential transactions, 33 percent have reported no closing delays. Delays in closing happened for a number of reasons including delays with financing, buyers no longer qualifying due to loss of job, home inspections, final walk-throughs, title searches, and in-person signatures.

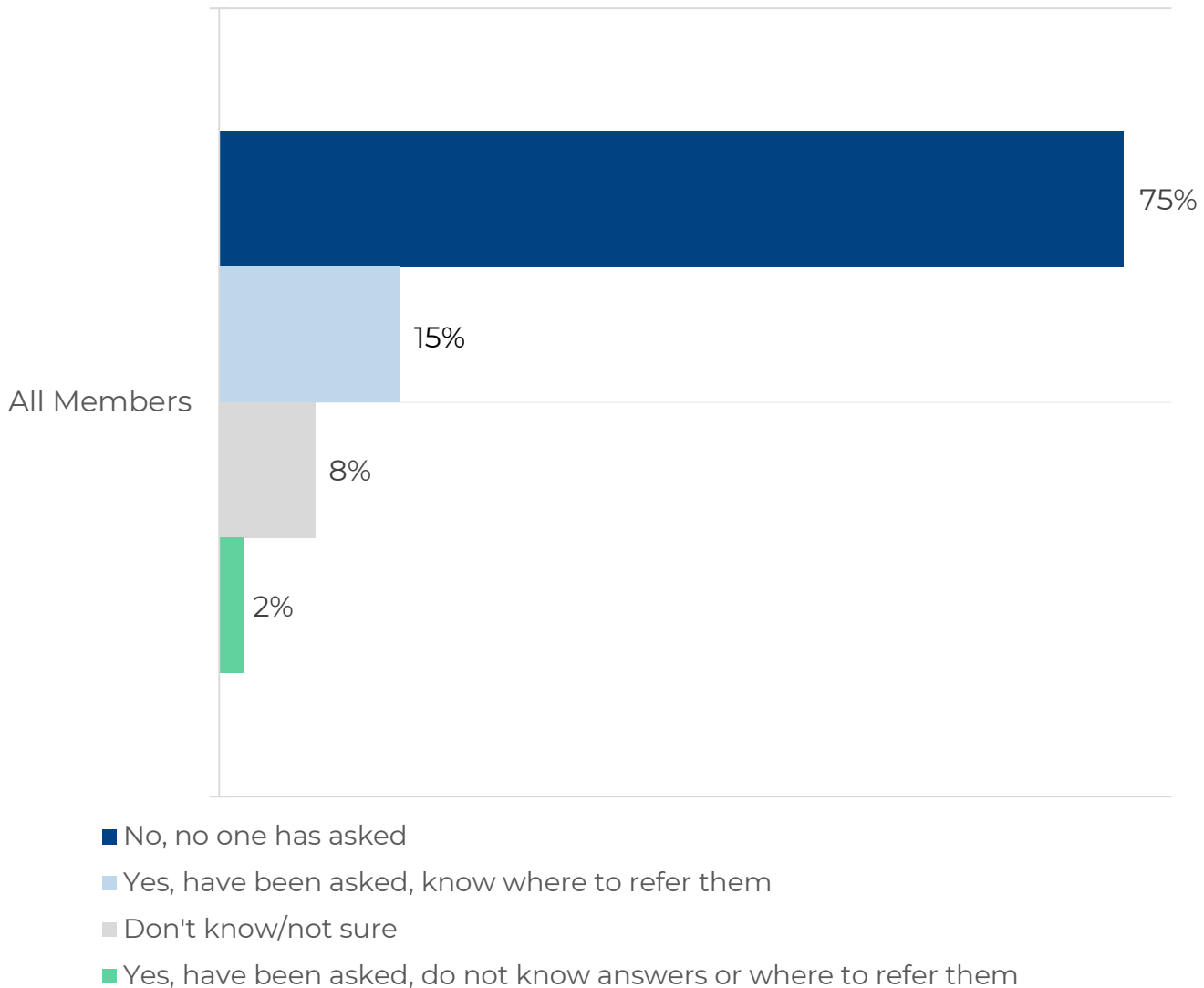
## ARE YOUR RESIDENTIAL TRANSACTIONS RUNNING INTO ANY SIGNIFICANT NEW DELAYS CLOSING, DUE TO CORONAVIRUS (COVID-19), WITH (CHECK ALL THAT APPLY)



# Mortgage Forbearance

Seventy-five percent of members overall said that none of their past clients have asked them about mortgage forbearance. Fifteen percent have been asked and knew where to refer these clients. Eight percent were not sure. Only two percent were consulted by past clients but did not know the answers or where to refer them.

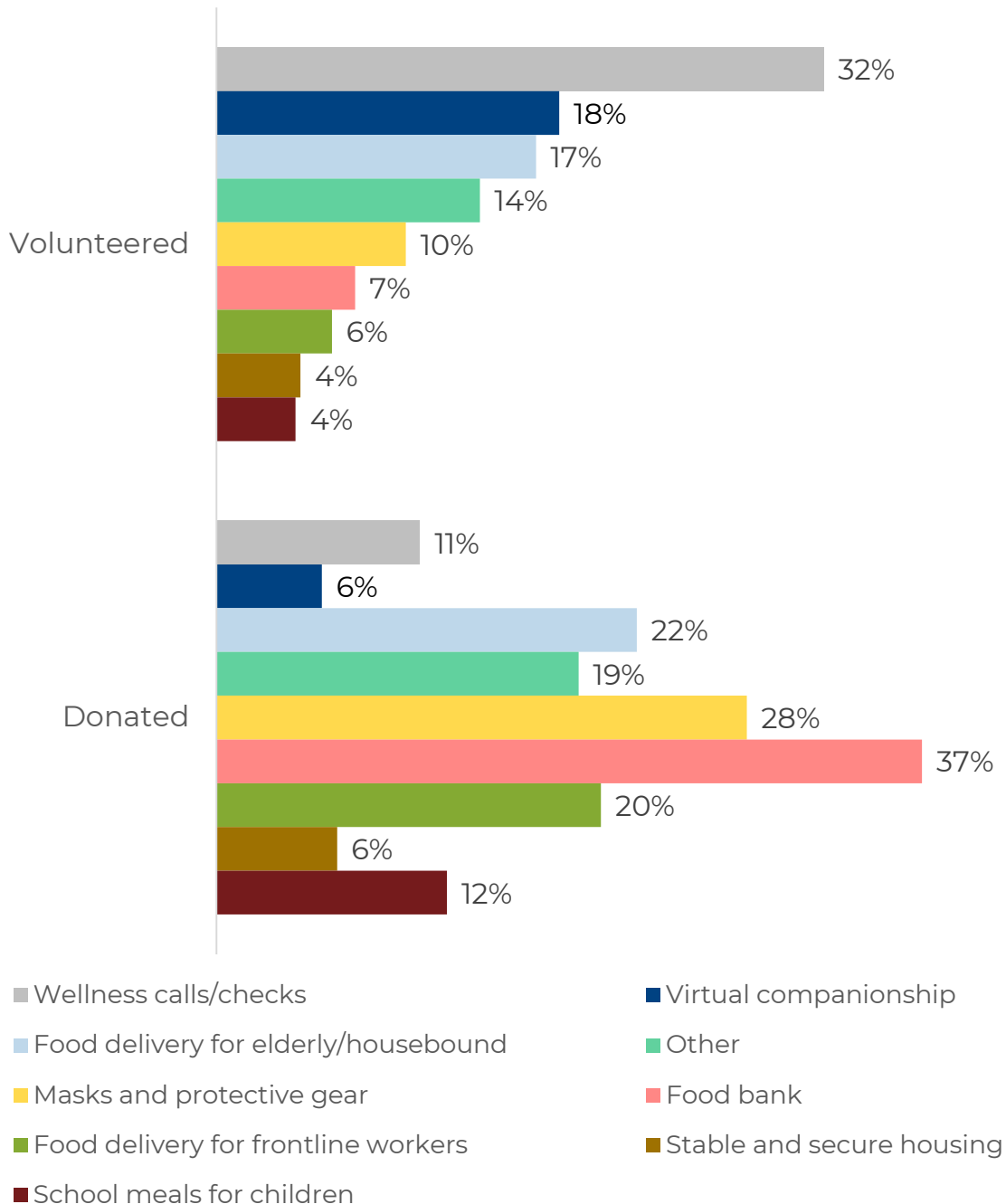
## HAVE YOU SPOKEN WITH PAST CLIENTS WHO ARE IN NEED OF MORTGAGE FORBEARANCE?



# Nonprofit Activity

Sixty-one percent of members have donated to or volunteered with non-profits helping with COVID-19. Members are most likely to have donated to food banks (37 percent) and to have volunteered for wellness calls/checks (32 percent). Twenty-eight percent have donated to non-profits focused on providing masks and protective gear.

## HAVE YOU VOLUNTEERED OR DONATED TO ANY NONPROFITS WHICH ARE HELPING WITH COVID-19?

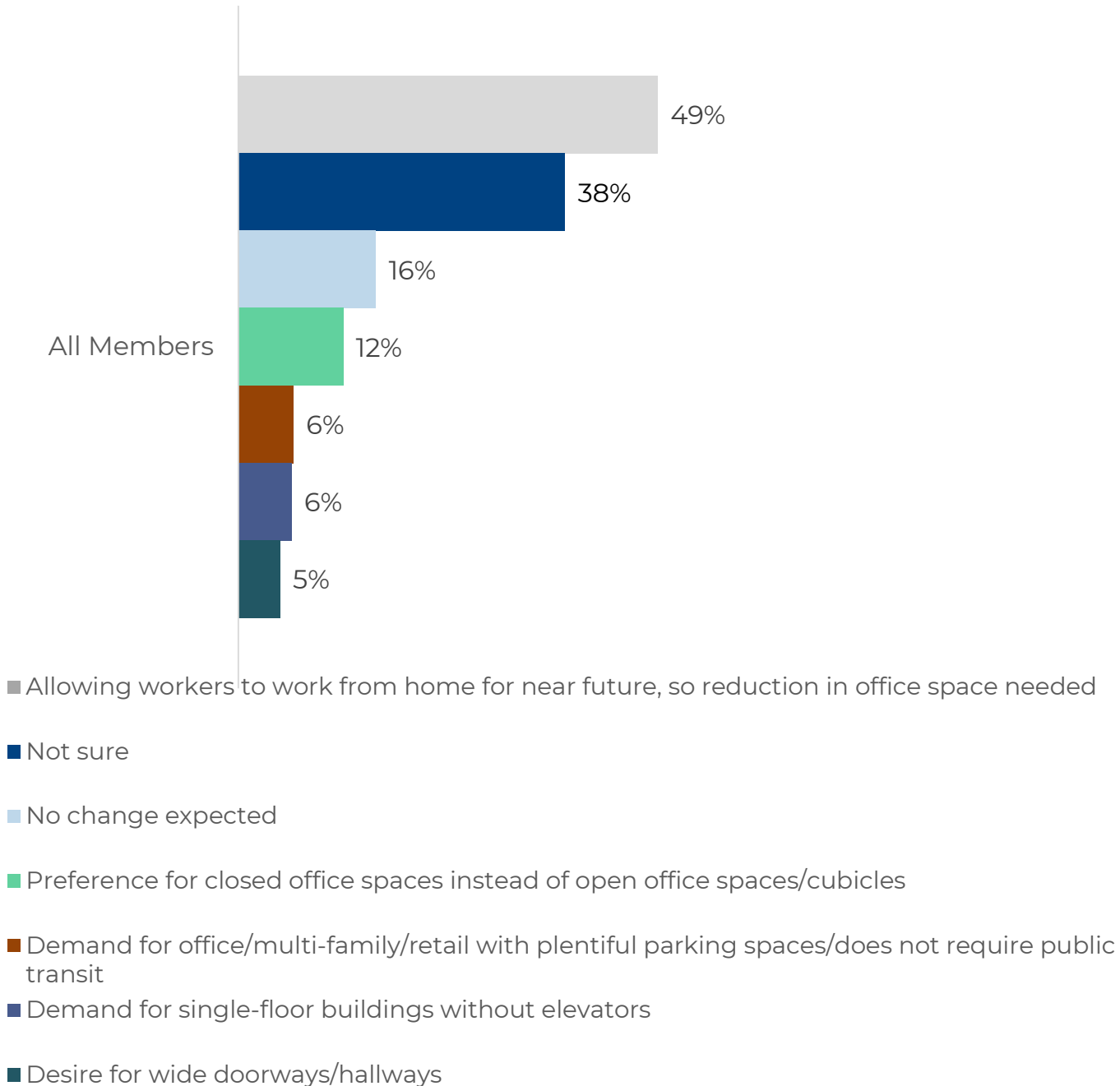


# Demand for Buildings

Half (49 percent) of members expect that, when state and local economies reopen, employers will continue to allow workers to work from home for the near future, reducing the need for office space. Twelve percent expect a preference for closed office spaces instead of open office spaces and cubicles. Sixteen percent expect no change. Sixteen percent expect no change. Sixteen percent expect no change.

## WHEN YOUR STATE OR LOCAL AREA REOPENS THE ECONOMY DO YOU EXPECT DEMAND FOR BUILDING WILL CHANGE?

**CHECK ALL THAT APPLY.**





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